

December 8, 2005

CORRECTION NOTICE: This Bulletin supersedes the 2004-05 Skilled Nursing Facilities Quality Assurance Fee (QAF)-Retroactive Payment Letter and Form mailed to Administrators on September 29th or October 21st 2005. Clarification changes are shown in strike out. Any future mailing of QAF payment notification letters and forms will be corrected.

Clarification: In accordance with Welfare & Institution Code §14105 and in order to implement expeditiously the budgeting decisions of the Legislature, the director shall, to the extent permitted by federal law, adopt regulations setting rates that reflect these budgeting decisions within one month after the enactment of the Budget Act and of any other appropriation that changes the level of funding for Medi-Cal services. Therefore, for purposes of implementing the QAF program the rate year begins August 1st, this is one month after the state budget year that begins July 1st.

Form Correction: All reported resident days of service are in the 2004-2005 Medi-Cal rate year. Please strike out the text on the form and replace with the corrected italic text as follows: *CALCULATION OF THE QUALITY ASSURANCE FEE FOR THE RATE YEAR SFY 2004-2005 (JULY 1, 2004 TO JUNE 30, 2005) (AUGUST 1, 2004 TO JULY 31, 2005).*

Form Clarification: All other days such as Medicare, HMO, Private Pay, Insurance, Hospice, Charity, etc, should be reported on the form under line three, Non Medi-Cal. Additionally, bed hold days are reportable and need to be included in the proper line.

Payment Clarification: Each facility that provides a service for a County Organized Health Systems (COHS), such as, Partnership, Cal Optima, Solano, or Santa Barbara, should report their resident days as required on line two. If the facility has not received the QAF rate adjustment from the COHS the facility is not required to pay the amount of the fee for COHS Medi-Cal Managed Care. Please include the name(s) of the COHS below the dollar amount extension of the fee on line two in the QAF Extension Column. This will help explain the difference in amounts when the total fees paid may be less than the total fees due. You will be notified as to the due date for the payment of the fee that is based on COHS Medi-Cal Managed Care days.

Payment Clarification: If providers paid the QAF reimbursement for the month of July 1-31, 2004, a credit will be applied to a future QAF collection period.

CORRECTION NOTICE

Page 2

December 8, 2005

Payment Clarification: Pursuant to Health and Safety Code Section 1324.21(e)(1), "Any facility subject to the fee may be assessed the amount the facility will be required to pay to the department, but shall not be required to pay the fee until the methodology is approved and Medi-Cal rates are increased in accordance with paragraph (2) of subdivision 1324.28 and the increased rates are paid to the facilities". The Centers for Medicare and Medicaid services approved the methodology on September 9, 2005. DHS has paid providers the cost of living adjustment increase and is in the process of paying the QAF reimbursement for the 2004 rate year. Once providers have received the QAF reimbursement they should submit their QAF payment to DHS for FY 2004-05 (that was due November 29, 2005).